

**NOMA**

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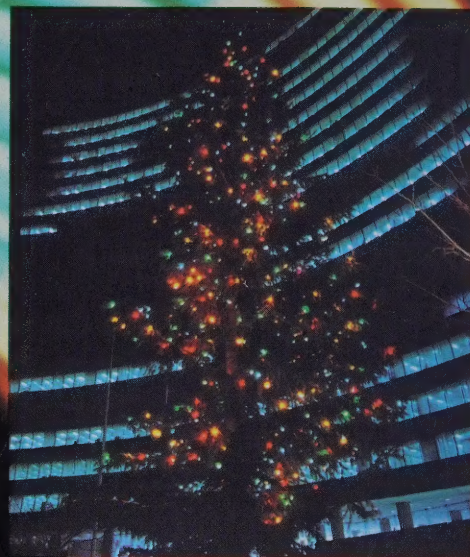
**Noma Industries Limited  
1975 Annual Report**







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a Board of Directors Meeting at Head Office:

L. to R.

H.T. Beck, D. Rafelman, Mrs. T. Beck, A. Wedd, R.A. Koehler, M. Waldman.

b New Ontario Hydro Building Christmas tree with reduced wattage lights.

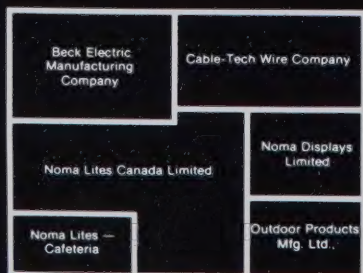
c Flexible copper wire, drawn and stranded by the Cable-Tech Division forms the basis for many of Noma Industries wide range of products.

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#### FINANCIAL HIGHLIGHTS

	1975	1974
SALES .....	\$26,763,000	\$26,833,000
NET EARNINGS .....	354,000	1,302,000
PER SHARE .....	\$0.35	\$1.28
CASH FLOW FROM OPERATIONS .....	1,587,000	2,641,000
WORKING CAPITAL .....	4,734,000	5,272,000
SHAREHOLDERS' EQUITY .....	7,896,000	7,657,000
PER SHARE .....	\$7.76	\$7.53





# **CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

(Unaudited)

**For the period January 1 to June 30, 1975**

(With comparative figures for the prior year period)

	<b>Current Year</b>	<b>Last Year</b>
<b>Source of funds</b>		
From operations		
Net earnings for the period	<b>\$ 91,592</b>	<b>\$ 541,626</b>
Amounts charged against earnings but not requiring an outlay of funds		
Depreciation and amortization	<b>371,626</b>	<b>323,547</b>
Minority shareholders' interest in net earnings of subsidiaries	<b>12,400</b>	<b>(5,208)</b>
	<b>\$ 475,618</b>	<b>\$ 859,965</b>
Increase in long-term debt, net	<b>—</b>	<b>265,731</b>
	<b>\$ 475,618</b>	<b>\$1,125,696</b>
<b>Application of funds</b>		
Purchase of fixed assets	<b>780,720</b>	<b>1,336,936</b>
Dividend Paid	<b>101,700</b>	<b>101,700</b>
Decrease in long-term debt, net	<b>125,158</b>	<b>—</b>
	<b>\$1,007,578</b>	<b>\$1,438,636</b>
Decrease in working capital	<b>531,960</b>	<b>312,940</b>
Working capital at beginning of period	<b>5,337,119</b>	<b>2,992,669</b>
Working capital at end of the period	<b>\$4,805,159</b>	<b>\$2,679,729</b>

**Note:**

No estimate of deferred income taxes has been made for either period, and therefore working capital for both periods is understated by the amount of deferred taxes.

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**NOMA**

**Noma Industries Limited**

**INTERIM REPORT TO SHAREHOLDERS**

**FOR THE PERIOD**

**January 1, to June 30, 1975**

## PRESIDENT'S REPORT TO SHAREHOLDERS

DEAR SHAREHOLDER,

Sales and earnings for the first half of 1975 were lower than in the corresponding period for 1974, reflecting the slowdown in business activity in Canada. However, prospects for the balance of the year are more encouraging.

Capital expenditures for 1975 are almost completed and we anticipate that working capital will be increased at year end through funds now being generated internally.

Inventories are being cut back and we expect substantial reductions by year end.

Orders are returning to higher levels, as many of our customers appear to have brought their own inventory levels into line.

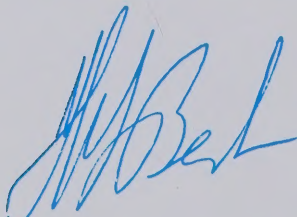
We now expect profits for the remaining half of 1975 to be higher than the 77 cents earned in the last six months of 1974.

Last year most of these earnings were generated in the third quarter, whereas this year we anticipate a more even distribution of profits between the final two quarters.

Results for 1974 have been re-stated to include sales and earnings of Outdoor Products Mfg. Ltd.

We are pleased to enclose with this Report, your semi-annual dividend cheque of 10 cents per share.

Yours very truly,  
NOMA INDUSTRIES LIMITED



H. THOMAS BECK, President

## CONSOLIDATED STATEMENT OF EARNINGS

(Unaudited)

**For the period January 1 to June 30, 1975**

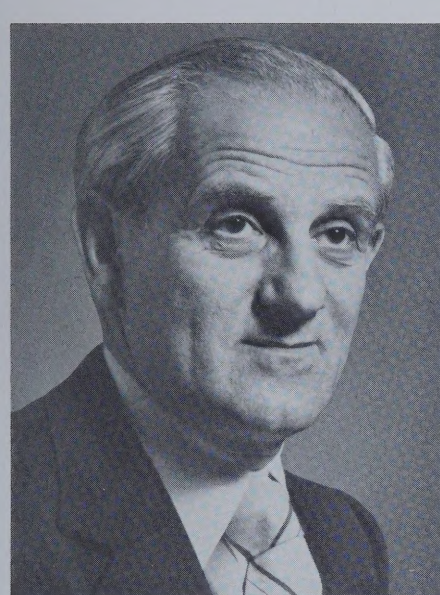
(With comparative figures for the prior year period)

	<b>Current Year</b>	<b>Last Year</b>
Sales	<b>\$9,673,658</b>	<b>\$10,918,805</b>
Earnings before income taxes and minority interest	<b>\$ 184,992</b>	<b>\$ 977,418</b>
Estimated income taxes	<b>81,000</b>	441,000
Minority interest	<b>12,400</b>	(5,208)
Net earnings	<b>\$ 91,592</b>	<b>\$ 541,626</b>
Earnings per share	<b>9c</b>	53c
Shares outstanding	<b>1,017,000</b>	1,017,000

**Noma Industries Limited**

375 Kennedy Road, Scarborough, Ontario M1K 2A2





### **To our Shareholders**

In 1975 all divisions of your company were affected by lower margins caused by competitive pressures and economic uncertainties. These prevailed as a carryover from the preceding two years of fluctuating money costs, critical shortages and spiraling prices.

The first half of the year was characterized by lower sales, and while volume improved in the second half, the benefits were still partially offset by lower margins.

### **Financial Review**

Net profit in 1975 was \$354,000 or 35 cents per share as compared with \$1,302,000 or \$1.28 per share the previous year. Sales remained relatively constant at \$26,763,000, slightly lower than the \$26,833,000 reported a year earlier.

A combination of factors contributed to the lowering of our profit margins. Among these was the necessity to reduce prices to meet strong competition, generally lower utilization of manufacturing capacities and a substantial drop in the price of copper from 1974 levels. These latter factors had a negative impact on our product costing and the fall in copper required us to absorb the reduction in value of the copper content in inventory. This was not recognized in our interim statements and had the effect of overstating earnings for the first nine months. Steps have been taken to eliminate the possibility of similar occurrences in the future.

Our inventories were reduced over the year by more than 27 per cent as stocks were lowered from \$9.8 million to \$7.2 million. In spite of the effects of the mail strike, a substantial improvement in the aging



of accounts receivable was achieved. Bank indebtedness was down by over 23 per cent from \$5.5 million to \$4.2 million, and long-term debt was reduced by \$644,000. There was a further increase in shareholder equity and net book value has now attained a record level of \$7.76 per share.

It can be seen that the tax rate increased from 44.1 per cent in 1974 to 49.5 per cent in 1975. This was due to write-offs attributable to losses incurred during the year in our U.S. division. When this division returns to profitability, there will be a favourable impact on our tax rate.

We continue to view our U.S. operations as an area of major opportunity in the years ahead, and have acquired an additional 10 per cent interest in our U.S. division, Beck Electric Manufacturing Inc. of Stamford, Connecticut. This brings our ownership to 90 per cent.

### **Operating Review**

Sales of consumer goods generally fared better than Original Equipment Manufacture (O.E.M.) products. The former was helped by a return to more traditional demand levels for Christmas products.

From an operating perspective, our major emphasis was placed upon diversifying the production capabilities of our U.S. division. We introduced new equipment to expand its product line into consumer extension cords and O.E.M. cord sets.

Another area of concentration continues to be the strengthening of personnel throughout our divisions, the improvement of systems and the application of new controls.

### **Anti-Inflation Legislation**

In its efforts to counter the rampant inflation of recent years, the Federal

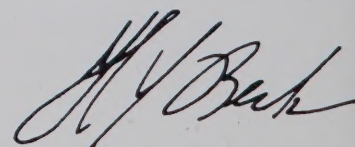
government introduced its anti-inflation policies in October. While the strictures imposed upon business by these policies are difficult, and the requirement of compliance is time consuming, we are exerting every effort to conform with regulations. It is to be hoped that these controls are of limited duration, as no matter how justified their short run application may be, their long run implications could be most harmful to business and the economy in general.

### **Outlook**

Sales in the first three months ended March 31, 1976 were more than 45 per cent ahead of the same period a year ago, and we anticipate that a continuation of an upward trend throughout the year will allow earnings to recover to more desirable levels.

We are budgeting capital expenditures of under \$1 million, which will be less than that spent in 1975. The largest single portion will go towards adding to our U.S. manufacturing facilities. Other divisions have sufficient present capacity to allow for significant further growth and we believe our personnel, product lines, and controls are poised to allow us to exploit the opportunities ahead.

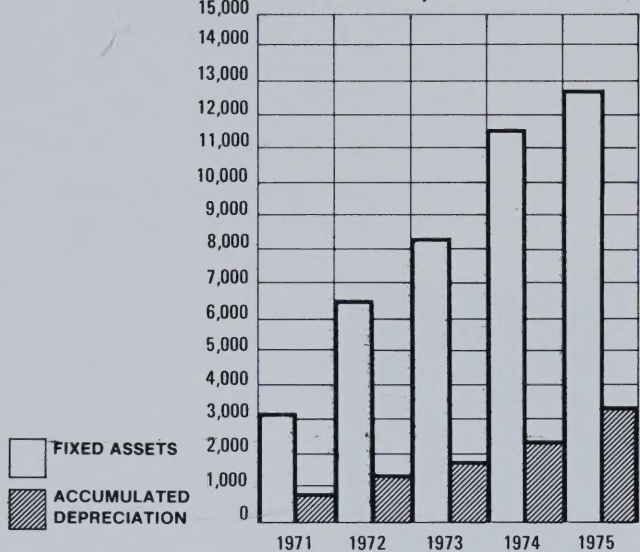
On behalf of the Board of Directors, I thank our management and staff for their loyalty and dedication and for their support during a difficult year. Their efforts are much appreciated.



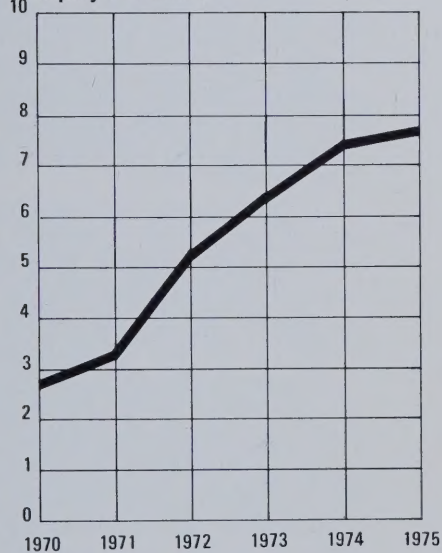
H. Thomas Beck  
President & Chief Executive Officer  
April 29, 1976



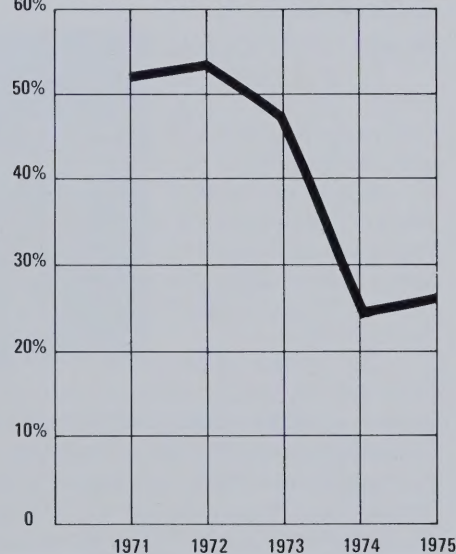
**Fixed Assets and Accumulated Depreciation** (Thousands of Dollars)



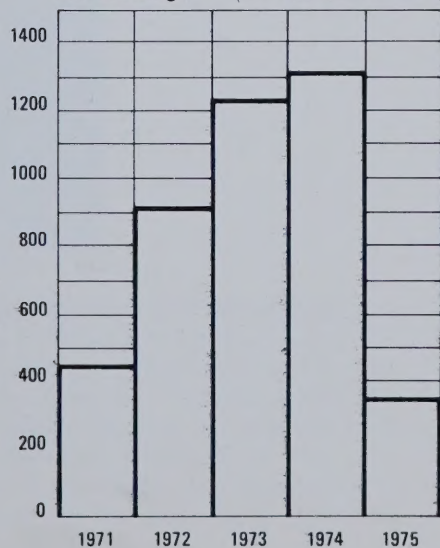
**Equity Per Share** (Dollars)



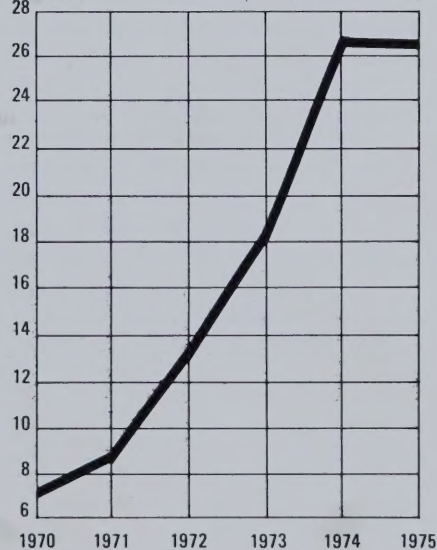
**Christmas Products as % of Total Sales**



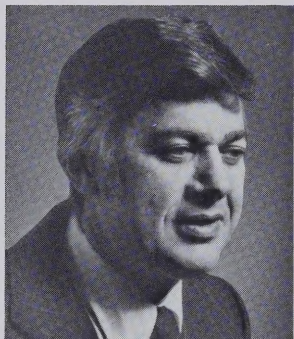
**Net Earnings** (Thousands of Dollars)



**Sales** (Millions of Dollars)







Rudolph A. Koehler,  
Executive Vice-President

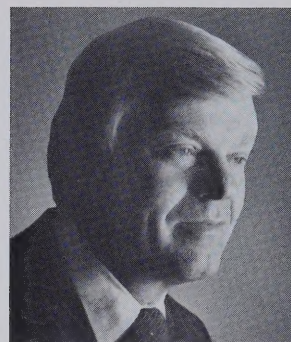
#### **NOMA LITES CANADA LIMITED**

Sales of Noma Lites were slightly short of target. This and a shift in product mix together with reduced selling prices in the last quarter had a significant effect on profits.

Among the positive attainments of the year, we were successful in achieving our inventory reduction objectives. Year-end inventory was down substantially, mainly in seasonal goods, and this will result in significant interest savings through 1976.

The volume of Christmas business was up from the depressed 1974 season and repeat orders were once more a common experience. The artificial tree business stabilized, and the Noma Displays plant maintained efficient operations. Original Equipment Manufacture business was down sharply as requirements of existing accounts were significantly less than expected.

There has been some price recovery in 1976. Sales in the early months are running considerably ahead of year-ago levels and we expect to continue to report an increase for the balance of the year.



Siegfried Riemer, President

#### **CABLE-TECH WIRE COMPANY LIMITED**

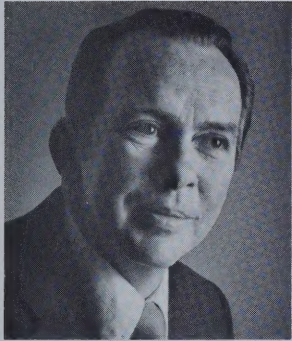
Cable-Tech sales were down in 1975 as a result of the slow activity in the home entertainment and electrical appliance industries. As in the previous year, nearly 40 per cent of sales were direct to O.E.M. customers, with the balance being distributed within the Noma group for further manufacturing. The weak Canadian market and the spillover effect from a similar situation in the United States meant strong price competition and reduced margins.

The major addition to operations last year was the start-up of the PVC compounding line to provide for our own requirements of plastic insulating materials. This added capability will contribute to greater efficiency. Among our objectives for the coming year is the broadening of our product range.

Good business recovery has been experienced in recent months. Copper prices have recently turned up from their depressed levels of last year, reflecting an increased demand for copper and copper wire products — a positive indicator for our business.

Following the active first quarter, outlook for the near term is good and for the balance of the year is one of guarded optimism. While the rate of improvement may not match the first quarter, it should continue to be well ahead of 1975. Selling prices remain very competitive, but they are expected to firm up as the year progresses.





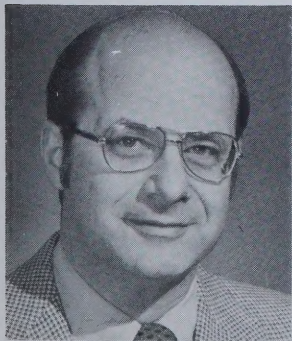
Ben Hoag, General Manager

### BECK ELECTRIC MANUFACTURING COMPANY

The slowdown in the major home appliance market in 1975, magnified by inventory reductions which took place at our customers' level, had a serious effect on our custom power cord and wiring harness business. However, business has recently improved considerably and activity in the plant has returned to a normal five day work schedule.

As a result of being fully settled in our expanded plant facilities and benefiting from a stable work force, we have become more efficient. This, in addition to increased sales efforts, has been a contributing factor in helping us to obtain new customers.

The prospects for the balance of 1976 are encouraging. The first quarter was well ahead of year-ago results and we anticipate reporting growth in sales and earnings for the year, based upon a continuation of the current market trend for major appliances.



Seymour Jeruss, President

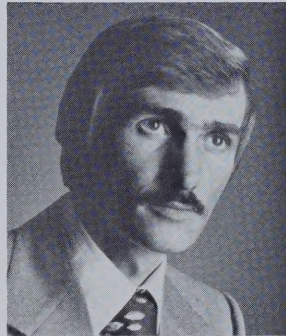
### BECK ELECTRIC MANUFACTURING INC.

Although we suffered a considerable loss for 1975, we achieved a good start towards our goal of diversifying production over a broader line of products and markets. Sales of our wire and cord sets produced more than a third of our total volume last year, in contrast to previous years when nearly 90 per cent of sales were Christmas

products. On the other hand, Christmas light sales, which were severely hurt in 1974 by the after effects of the energy crisis, started to come back to a more normal demand last year.

New production facilities were principally related to the expanded power cord and cord set business, and we installed additional equipment to expand our wire manufacturing capacity. This, together with our current emphasis on improving the efficiency of the cord set production line will result in greater productivity.

The outlook for both Christmas and cord set products in 1976 continues to improve. We expect a substantial increase in sales this year and a return to profitability.



Bill Czeban, President

### OUTDOOR PRODUCTS MFG. LTD.

Aided by the heavy, early snow-fall, snow blower sales increased this past season. We introduced two 10-horsepower models which broadened our range and produced one-third of our snow blower sales. The inventory carryover from 1974 among dealers and manufacturers brought strong price competition and reduced 1975 profit margins substantially, however, we look for improvement in 1976.

Lawn mower and lawn equipment sales were below expectations. Higher component costs industry-wide necessitated a substantial price increase which created considerable consumer resistance. The resulting inventory carryover is having an adverse affect on selling prices and profit margins in the first half of 1976. We are now manufacturing a line of 8- and 10-horsepower riding tractors which are being very well received by our customers. Plans are underway to bring our manufacturing and warehousing operations under one roof by the end of the year.



**CONSOLIDATED  
BALANCE  
SHEET**

AS AT DECEMBER 31, 1975  
(with comparative figures  
for 1974, Note 12)

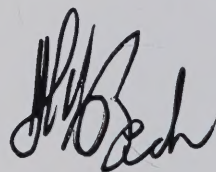
**ASSETS**

**Current**

	1975	1974
Cash .....	\$ 27,913	\$ 36,241
Accounts receivable (Note 3) .....	4,411,686	3,429,531
Inventories .....	7,176,180	9,838,724
Sundry assets and prepaid expenses .....	232,860	293,933
Income taxes recoverable .....	459,978	—
	<u>12,308,617</u>	<u>13,598,429</u>
Fixed assets (Note 4) .....	9,571,252	9,175,223
Patents .....	54,258	56,558
Goodwill (Note 2) .....	627,142	596,741
Notes receivable .....	18,000	24,000

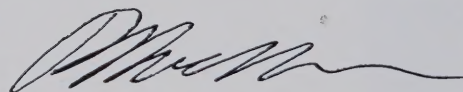
\$22,579,269

\$23,450,951



Director

On behalf of the Board



Director



**LIABILITIES****1975****1974****Current**

Bank indebtedness (Note 5) .....	<b>\$ 4,228,030</b>	\$ 5,547,174
Accounts payable and accrued liabilities .....	<b>2,792,662</b>	2,329,598
Current portion of long-term debt (Note 6) .....	<b>554,128</b>	449,600
	<b>7,574,820</b>	8,326,372
Deferred income taxes .....	<b>1,544,516</b>	1,250,678
Long-term debt (Note 6) .....	<b>5,393,466</b>	6,037,759
Minority interest in subsidiaries (Note 2) .....	<b>170,313</b>	179,000
	<b>14,683,115</b>	15,793,809

**SHAREHOLDERS' EQUITY**

Capital stock (Note 7) .....	<b>2,456,860</b>	2,456,860
Retained earnings .....	<b>5,272,444</b>	5,122,182
Contributed surplus (Note 8) .....	<b>166,850</b>	78,100
	<b>5,439,294</b>	5,200,282
	<b>7,896,154</b>	7,657,142
	<b>\$22,579,269</b>	\$23,450,951

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**AUDITORS'  
REPORT**

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The Shareholders,  
Noma Industries Limited.

We have examined the consolidated balance sheet of Noma Industries Limited and subsidiaries as at December 31, 1975 and the consolidated statements of earnings, retained earnings and contributed surplus and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of Noma Industries Limited and subsidiaries as at December 31, 1975 and the results of their operations and changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario  
April 23, 1976

TOUCHE ROSS & CO.  
Chartered Accountants



**NOMA**  
INDUSTRIES LIMITED  
AND SUBSIDIARIES

**CONSOLIDATED  
STATEMENT  
OF EARNINGS**

FOR THE YEAR ENDED  
DECEMBER 31, 1975  
(with comparative figures  
for 1974, Note 12)

	1975	1974
<b>Sales</b>	<b><u>\$26,762,781</u></b>	<b><u>\$26,833,388</u></b>
<b>Costs and expenses</b>		
Cost of sales and selling and administrative expenses .....	<b><u>\$23,899,516</u></b>	<b><u>\$22,652,067</u></b>
Depreciation and amortization (Note 9) .....	<b><u>949,562</u></b>	<b><u>749,205</u></b>
Interest on long-term debt .....	<b><u>630,824</u></b>	<b><u>334,548</u></b>
Interest on other indebtedness .....	<b><u>601,891</u></b>	<b><u>675,632</u></b>
	<b><u>26,081,793</u></b>	<b><u>24,411,452</u></b>
Earnings before income taxes and minority shareholders' interest .....	<b><u>680,988</u></b>	<b><u>2,421,936</u></b>
Income taxes .....	<b><u>337,001</u></b>	<b><u>1,068,523</u></b>
Minority shareholders' interest .....	<b><u>(9,675)</u></b>	<b><u>51,178</u></b>
<b>Net earnings for the year</b> .....	<b><u>\$ 353,662</u></b>	<b><u>\$ 1,302,235</u></b>
<b>Earnings per share</b>	<b><u>\$0.35</u></b>	<b><u>\$1.28</u></b>

**NOMA**  
INDUSTRIES LIMITED  
AND SUBSIDIARIES

**CONSOLIDATED  
STATEMENT OF  
RETAINED EARNINGS  
AND CONTRIBUTED  
SURPLUS**

FOR THE YEAR ENDED  
DECEMBER 31, 1975  
(with comparative figures  
for 1974, Note 12)

	1975	1974
<b>RETAINED EARNINGS</b>		
Balance at beginning of year .....	<b><u>\$5,122,182</u></b>	<b><u>\$4,023,347</u></b>
Net earnings for the year .....	<b><u>353,662</u></b>	<b><u>1,302,235</u></b>
	<b><u>5,475,844</u></b>	<b><u>5,325,582</u></b>
Dividends paid .....	<b><u>(203,400)</u></b>	<b><u>(203,400)</u></b>
Balance at end of year .....	<b><u>5,272,444</u></b>	<b><u>5,122,182</u></b>
<b>CONTRIBUTED SURPLUS</b>		
Balance at beginning of year .....	<b><u>78,100</u></b>	<b><u>60,350</u></b>
Forgiveness of loan (Note 8) .....	<b><u>88,750</u></b>	<b><u>17,750</u></b>
Balance at end of year .....	<b><u>166,850</u></b>	<b><u>78,100</u></b>
Total surplus .....	<b><u>\$5,439,294</u></b>	<b><u>\$5,200,282</u></b>



**CONSOLIDATED  
STATEMENT OF  
CHANGES IN  
FINANCIAL  
POSITION**

FOR THE YEAR ENDED  
DECEMBER 31, 1975  
(with comparative figures  
for 1974, Note 12)

	1975	1974
<b>Source of funds</b>		
From operations		
Net earnings for the year .....	\$ 353,662	\$1,302,235
Amounts charged against earnings but not requiring an outlay of funds		
Depreciation and amortization (Note 9) .....	949,562	749,205
Deferred income taxes .....	293,838	538,554
(Losses) profits of subsidiaries attributable to minority shareholders .....	(9,675)	51,223
	<u>1,587,387</u>	<u>2,641,217</u>
Shares issued by a subsidiary to minority shareholder .....	30,000	—
Increase in long-term debt, net .....	—	3,146,065
Forgiveness of loan (Note 8) .....	88,750	17,750
	<u>1,706,137</u>	<u>5,805,032</u>
<b>Application of funds</b>		
Purchase of fixed assets .....	1,327,704	3,042,531
Dividends paid .....	203,400	203,400
Acquisition of an additional 10% interest in Beck Electric Manufacturing Inc. (Note 2) .....	75,000	—
Acquisition of Outdoor Products Mfg. Ltd., net of working capital acquired and minority interest .....	—	85,200
Decrease in long-term debt .....	644,293	—
Notes receivable .....	(6,000)	24,000
	<u>2,244,397</u>	<u>3,355,131</u>
(Decrease) increase in working capital .....	(538,260)	2,449,901
Working capital at beginning of year .....	<u>5,272,057</u>	<u>2,822,156</u>
Working capital at end of year .....	<u>\$4,733,797</u>	<u>\$5,272,057</u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1975

## 1. Summary of significant accounting policies

- a. Principles of consolidation
  - i. The consolidated financial statements include the accounts of the company and all its subsidiaries. All significant inter-company transactions are eliminated.
  - ii. All amounts in foreign currencies, including the accounts of the United States subsidiary are converted to Canadian dollars as follows:
    - Current assets and liabilities at rates prevailing at the balance sheet date.
    - Non-current assets and liabilities at rates prevailing when acquired or incurred.
    - Income and expenses at average exchange rates applying throughout the year.
- b. Accounts receivable
 

Specific provision is made for accounts receivable balances the collectibility of which is uncertain.
- c. Inventories
 

Inventories comprising raw materials, work-in-process and finished goods are valued at the lower of cost determined on a first-in, first-out basis, and net realizable value.
- d. Depreciation and amortization
 

Property, plant and equipment are depreciated on the straight-line basis at rates intended to extinguish the costs of these assets over their estimated useful lives. Leasehold improvements are amortized over the remaining period of the respective leases.

Patent costs are amortized over a period of seventeen years.
- e. Goodwill
 

Goodwill is amortized on a straight-line basis over forty years.
- f. Income taxes
 

The provision for income taxes is computed on the allocation basis whereby provision is made

for income taxes deferred by virtue of depreciation for tax purposes exceeding that booked in the accounts.

There are tax losses of approximately \$359,000 available to a subsidiary company to reduce its future years' taxable income up to 1981. This subsidiary also has available investment tax credits of approximately \$139,000 to reduce future years' taxes payable, expiring at varying dates up to 1982.

## g. Minority interest in subsidiaries

This account represents the minority interest in the capital stock and retained earnings of two subsidiaries and includes a minority interest of \$12,000 in preference shares.

## 2. Acquisition of minority interest in a subsidiary

The company acquired an additional 10% interest in its subsidiary, Beck Electric Manufacturing Inc., on October 1, 1975 for \$75,000 of which \$20,000 was paid in cash at that date, with the balance paid on January 9, 1976. The company now owns 90% of Beck Electric Manufacturing Inc.

The goodwill arising on this acquisition, totalling \$45,989, is being amortized on a straight-line basis over forty years.

## 3. Accounts receivable

Accounts receivable include \$50,937 (1974 — \$49,637) loaned to shareholders of the company in connection with house purchases.

## 4. Fixed assets

	1975			1974
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Buildings	\$ 3,695,440	\$ 429,488	\$3,265,952	\$2,931,976
Machinery, equipment and leasehold improvements	7,710,480	2,453,136	5,257,344	5,232,088
Moulds, dies and tooling	865,864	380,923	484,941	448,144
	12,271,784	3,263,547	9,008,237	8,612,208
Land	563,015	—	563,015	563,015
	<u>\$12,834,799</u>	<u>\$3,263,547</u>	<u>\$9,571,252</u>	<u>\$9,175,223</u>



## 5. Bank indebtedness

Bank indebtedness is secured by a general assignment of certain receivables and inventories.

Certain of the company's subsidiaries are required to maintain compensating balances which amounted to \$200,000 at December 31, 1975.

## 6. Long-term debt

	1975	1974
Term bank loans (a)	\$3,500,000	\$3,800,000
Mortgages on real property (b)	2,347,594	2,398,609
Ontario Development Corporation (Note 8)	—	88,750
Note payable (c)	100,000	200,000
	<u>5,947,594</u>	<u>6,487,359</u>
Less current portion	<u>554,128</u>	<u>449,600</u>
	<u>\$5,393,466</u>	<u>\$6,037,759</u>

- Interest is payable at 1¼% above prime interest rate. The repayment terms are \$400,000 in 1976, \$500,000 in 1977 and 1978, \$600,000 in 1979, \$1,000,000 in 1980 and \$500,000 in 1981. The security is a fixed charge on land, buildings and equipment and floating charges on all the assets of the company and its subsidiaries subject to priorities of mortgages and assignment of certain receivables and inventories.
- \$1,169,419 interest at 8¾% due December 1, 1992, repayable \$131,076 per annum including principal and interest.  
\$1,178,175 interest at 10-1/8% due November 1, 1994, repayable \$138,180 per annum including principal and interest.
- Interest is payable at the lesser of prime interest rate or 10%, repayable in 1976.

The annual principal payments required in the next five years to meet the long-term debt obligations are:

1976	\$ 554,128
1977	559,800
1978	564,100
1979	671,100
1980	1,077,800

## 7. Capital stock

Authorized	
2,000,000 common shares without par value	
Issued and fully paid	
1,017,000 common shares	<u>\$2,456,860</u>

## 8. Contributed surplus

Pursuant to an agreement between Cable-Tech Wire Company Limited and the Ontario Development Corporation, that company received in 1969 the amount of \$177,500 interest free as a forgivable loan for the construction of new buildings and equipment. The balance of \$88,750 was forgiven in 1975.

## 9. Depreciation and amortization

	1975	1974
Depreciation	\$917,146	\$683,268
Amortization of		
Leasehold improvements	10,946	7,146
Deferred development costs	—	31,348
Patents	5,882	5,970
Deferred financing costs	—	6,172
Goodwill	15,588	15,301
	<u>\$949,562</u>	<u>\$749,205</u>

## 10. Commitments and contingencies

- The total rentals paid for 1975 amounted to approximately \$291,000 under existing leases which are for various periods to 1993.
- There were letters of credit outstanding at December 31, 1975 of approximately \$600,000.
- The company has a commitment to purchase the 30% minority interest in its subsidiary, Outdoor Products Mfg. Ltd., at varying dates up to April 30, 1980 at prices based upon that company's earnings.

## 11. Remuneration of directors and senior officers

The aggregate remuneration paid and payable by the company and its subsidiaries to the directors and senior officers of the company was \$248,869 (1974 — \$227,476).

## 12. Prior period adjustment

A federal sales tax reassessment for the 1971-1975 period resulted in additional taxes of \$123,000. The amount of \$110,000 relating to 1974 and prior years, has been reflected in the financial statements as a prior period adjustment of retained earnings totalling \$65,062, net of applicable income taxes. The 1974 results have been restated to reflect the portion of the reassessment relating to that year by reducing sales by \$31,589, income taxes by \$12,950 and net earnings by \$18,639 (\$0.02 per share).

## 13. Anti-inflation legislation

The company and its Canadian subsidiaries are subject to the Anti-Inflation Act passed by the Federal Government effective on October 14, 1975, to provide for the restraint of profit margins, prices and compensation. The company is also restricted to total dividends of 32¢ per share for the twelve month period ending October 13, 1976. (The company has been paying dividends at an annual rate of 20¢ per share). The restrictions that will apply to dividend payments subsequent to October 13, 1976 have not been announced by the Government. Based upon the information compiled by the company to date, it would appear that the Legislation will have no significant effect on the financial statements for the year ended December 31, 1975.

**Directors**

- Mrs. Theresa Beck
- \* H. Thomas Beck
- Rudolph A. Koehler
- \* Donald Rafelman, Senior  
Vice-President, Work  
Wear Corporation of  
Canada Ltd., Toronto
- \* Andrew Wedd, President,  
Andrew Wedd & Co.  
Limited, Toronto
- \* Member of the audit committee

**Officers**

- Mrs. Theresa Beck, Chairman  
of the Board
- H. Thomas Beck, President  
and Chief Executive Officer
- Rudolph A. Koehler, Executive  
Vice-President, and  
Secretary
- Mark S. Waldman, Treasurer
- Meinrad C. Meerkamper,  
Controller

**Head Office**

375 Kennedy Road  
Scarborough, Ontario M1K 2A3

**Auditors**

Touche Ross & Co., Toronto

**Transfer Agent & Registrar**

Montreal Trust Company

**Stock Listing**

Toronto Stock Exchange  
Montreal Stock Exchange

**Operating Divisions  
and Subsidiaries**

Beck Electric Manufacturing  
Company  
Downsview, Ontario  
Ben Hoag, General Manager

Beck Electric Manufacturing,  
Inc.  
Stamford, Connecticut  
Seymour Jeruss, President

Cable-Tech Wire Company  
Limited  
Stouffville, Ontario  
Siegfried Riemer, President

Noma Displays Limited  
Downsview, Ontario  
Rolph Baumann, Manager

Noma Lites Canada Limited  
Scarborough, Ontario  
H. Thomas Beck, President

Outdoor Products Mfg. Ltd.  
Bramalea, Ontario  
William Czeban, President

**Annual Meeting**

The annual meeting of share-  
holders will be held on Tuesday,  
June 8, 1976 at 11:00 a.m. in the  
Lismer Room at the  
Hotel Toronto, Toronto



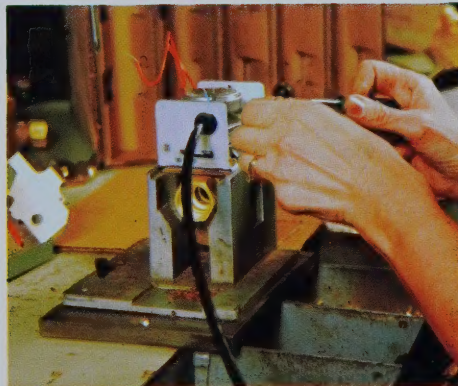
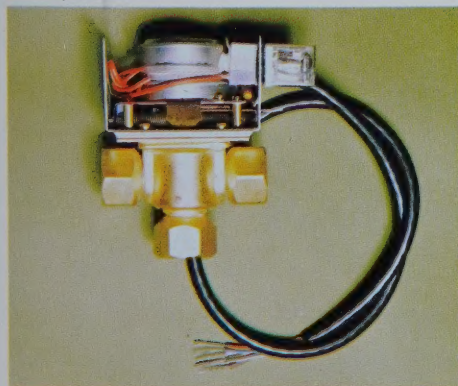
# NOMA

NOMA INDUSTRIES LIMITED

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# NOMA



The Noma Industries group of companies produces a wide range of products for the consumer and industrial markets. Cable-Tech manufactures many types of flexible wire that are used by other company divisions in power cords, Christmas light strings and wiring harnesses for electric appliances. (Above we show a wire harness being installed in a Honeywell gas control

unit.) Strong emphasis is placed on attractive and functional packaging of consumer products. In the U.S., Beck Electric Inc. makes wire and a similar range of products. Outdoor Products assembles garden equipment and snowblowers in Canada under its "Canadiana" brand name and national retailers' private labels.



